DOCUMENT RESUME

ED 121 423 PS 008 450

TITLE	A Study of Day Care Costs: Their Impact on Day Care Center Quality.
INSTITUTION	REAP Associates, Washington, D.C.
SPONS AGENCY	New York State Dept. of Social Services, Albany.; Office of Child Development (DHEW), Washington, D.C.
REPORT NO	OCD-CB-505
PUB DATE	Jun 75
NOTE	63p.; Part 1 of Appendix, "Day Care Quality Assessment System," is copyrighted and therefore not available. It has not been included in the pagination
EDRS PRICE	MF-$0.83 HC-$3.50 Plus Postage
DESCRIPTORS	Chief Administrators; Child Care Workers; *Day Care Services; Facilities; Interaction Process Analysis; Parent Participation; Program Budgeting; Program Content; *Program Costs; *Program Effectiveness; *Program Evaluation; *Quality Control; Questionnaires; Surveys
IDENTIFIERS	New York; *Program Quality

ABSTRACT

This study analyzes the effects of costs on day care center quality for a total of 13 high cost ($40-50 per week for each child) and low cost ($20-30 per week) day care centers in three New York counties. A mail survey questionnaire (included in Appendix) was used to gather data on program operations, core services, and budget expenditures. Two-person field observation teams visited eight centers to validate the survey data and gather data on program quality through observation and interview schedules. Detailed findings, summary data, and interpretations for mail survey data include the following: age of program, type of facility and organization, availability of core services, staff ratios and training, director's education and hours, program enrollment, core and supplementary child and family services, and parent participation. Day care quality was measured by on-site teams in terms of specific attributes, competencies, and behaviors along 11 critical components grouped into four major dimensions: quality of staff (director, care and non-care staff); quality of interactions (director-staff, director-children, staff-staff, staff-children); quality of program (for children, staff, parents, and support); and quality of plant and materials (physical quality and quality of use). Results indicate there may be a low cost/low quality correlation. Study limitations are discussed. (Author)

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A FINAL REPORT

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A STUDY OF DAY CARE COSTS:

THEIR IMPACT ON DAY CARE CENTER QUALITY

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Prepared for:

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REAP
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13 June 1975

Ms. Roz Silver
Department of Social Services
New York State
1450 Western Avenue
Albany, New York

Dear Ms. Silver:

In accordance with REAP Associates' agreement with the New York State Division of Social Services, we hereby transmit our report, entitled: A Study of Day Care Costs and Their Impact on Day Care Center Quality.

We wish to emphasize that the findings in this report are based on a very limited sample and should be considered in the nature of guidelines for a more comprehensive study. Our conclusions, while accurate for the thirteen responding centers, do not necessarily represent the universe of centers in New York State. Therefore, we feel that this report should be treated with some caution in terms of future policy recommendations.

With this caveat in mind, we are confident that the study does add to the store of valid information which should be considered by day care planners and administrators.

Finally, REAP Associates wishes to acknowledge our debt to Abt Associates which kindly allowed us to utilize some of their research materials in implementing this study.

In no way, however, does Abt Associates bear any of the responsibility for the conclusions we have arrived at.

Sincerely,

Elliot Entis

Elliot Entis
President

RESOURCES FOR EVALUATION ANALYSIS AND PLANNING
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A FINAL REPORT

A STUDY OF DAY CARE COSTS:
THEIR IMPACT ON DAY CARE CENTER QUALITY

JUNE, 1975
REAP ASSOCIATES
Washington, D.C.

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1.0 Introduction

During the period of this study we surveyed a small sample of high and low cost day care centers in three down state counties of New York to determine how day care costs impact services and quality of program. This report documents our findings.

In order to set a context for the findings that follow, it is important to mention some of the limiting factors we faced in conducting this study.

--All programs surveyed are licensed by the state and under the state's regulatory authority. Therefore, the data received from our mail survey (which had an accompanying cover letter explaining that this was a DSS-sponsored study) may have been less than an accurate statement about program services, staff, and expenditures. Our field visits supported this observation. A program which had completed a mail survey claiming 100% service delivery in all categories, was in fact delivering only 40% of those services. It was difficult, if not impossible, to validate mail survey data given the limited time and resources of this study. We were able to validate only 8 of the 13 respondents.

--An attempt was made to survey a group of unlicensed proprietary centers through the National Association of Child Development and Education. However, despite telephoned follow-up, only one center responded. These centers are therefore not represented in our final report.

--Given that day care outcome measurements do not exist in New York and the philosophy of day care differs from program to program, our field teams (composed of two early childhood development experts) measured quality in terms of child development (i.e., preparation for school, readiness to learn, social adjustment) as opposed to the impact of day care on families (increased number of mothers working, increased family income).

--Budget and cost data were difficult to compute because program budgets were determined in a variety of ways. Categories were often switched, whole line items left out, and some programs failed to submit budgets at all.

In spite of these problems REAP Associates was able to conduct a comprehensive study of a small random sample of high and low cost day care centers in Naussau, Westchester, and Suffolk Counties.

From our mail survey we were able to gather data on program operations, core services, and budget expenditures. Field observation teams visited 8 centers to validate the survey data and gather additional data on program quality.

An in-depth analysis of the data gathered on costs, services, and quality from the mail survey and the field visits was done and comparisons made between high and low cost centers. Our findings are on the following pages.

2.0 MAJOR FINDINGS

2.1 Day Care Services

In our survey we looked at two levels of services - basic or core services and supplementary services.

Core services include the center's child care and supervision components: hours and days open, snack and meals, scheduled activities, housing and safety including provision of emergency medical care, communication with parents and transportation where necessary. Supplementary services include: scheduled in-service training for the staff, child physical and psychological health screening, family and social services, regular parent meetings and other social and educational programs for parents.

- o There are no discernable differences between the quantity and kinds of basic services being offered by high and low cost centers.

Although high and low cost centers offer the same quantity of core services, this did not prove to be a measurement of program quality. For example, high and low cost centers stay open approximately the same number of hours and days but the way staff, children and parents utilize this time varies greatly between the two types of centers and is more indicative of center quality.

- o There are differences in the philosophy and delivery of supplementary services between high and low cost centers.

High cost centers are able to provide supplementary services as an essential part of their early childhood development efforts. Low cost centers on the other hand, view these services as external to the program. Provision is on an as-needed basis (e.g., health).

2.2 DAY CARE QUALITY

- o All of the high cost centers provide care of good-to-excellent quality. Three-quarters of all low cost centers provide care of minimum-to-adequate quality.

As stated earlier, our quality measurement was in terms of child development indicators. Although low cost centers scored low in this area, they were not rated unacceptable since they did provide at least custodial child care, allowing mothers to work.

- o There appears to be a significant correlation between quality and the following variables: quality of care staff, program for children, staff-child interactions, use of plant and materials, staff-child ratios.

All of the above further indicate that quality of staff is positively associated with good-to-excellent quality of programs. In this context, quality is defined behaviorally; the ability of center staff to interact with children in a positive manner. This requires adequate and timely communications, structuring learning experiences in intelligent and creative ways, conveying mutual warmth, concern, and respect between staff and for children. Although not enough data was available on staff education and experience, it was our observation that quality centers had staff that had an understanding of the child's needs as evidenced by capable and energetic responses to those needs.

Low quality centers were first and formost lacking in quality staff and number of staff. As a result, the program for children, staff-child interactions and creative use of plant and materials (all directly tied to quality and number of staff) were also low quality. In programs where staff-child rations were high and staff tended to be unskilled, day care programs were more custodial than child-development oriented.

2.3 Day Care Cost

In our cost analyses, we compared budget expenditures in high and low cost centers.

The budget expenditures that we looked at included categories of: administrative, child care, social services, food,

health, occupancy, and transportation. We broke each down in terms of equipment, supplies, travel, salaries and staff training.

- o There is a direct correlation between costs and quality, at least at the high cost and low cost extremes included in this sample.

All high cost centers sampled were of good-to-excellent quality. Low cost centers with one exception were minimum-to-adequate quality.

- o Sixty percent (60%) of administrative salaries are in the form of donated services for low cost centers while high cost centers invariably have full-paid directors.

Because low cost center directors are combination administrators/teachers and community liasion contacts, most administrative duties become secondary to the teaching function. Consequently, administrative planning, recordkeeping and budget management in low cost centers are often left undone or are inadequate.

- o Low cost centers spend a larger percent of their budgets for occupancy (rent, utilities, custodial services) and transportation than high cost centers.

In our sample, 75% of the high cost centers are occupying donated space while 66% of the low cost centers were paying considerable rent. Of the low-cost centers studied, most were

profit-making which probably accounts in part for the lack of donated space.

In terms of actual cash expenditures, low cost centers spent over 10% of their limited budgets on rent and utilities while high cost centers spent only 6%. The effect of this is to diminish even further the resources available for child care in low cost centers.

- o Salaries in low cost centers are half to two-thirds of those in high cost centers, with relatively few professionals acting in child care capacities.

There is little if any pay difference between teachers and teacher's aides in low cost centers. Further examination of the data indicates that this is often because there is little educational or job description difference between various child care workers, most of whom are at the paraprofessional level in terms of formal education. This is in sharp contrast to high cost centers where professionals and paraprofessionals earn vastly different salaries and are clearly differentiated in terms of formal job descriptions. Given that quality care staff is the primary factor influencing program quality, we conclude that low cost centers suffer in being unable to attract more professional leadership for their staff.

- o Low cost centers in our sample were generally low quality centers.

Only one low cost center was considered to be of good quality. The remaining centers received low quality ratings. Because profit-making centers were also low cost centers, we were unable to distinguish which factor was influencing the quality rating. Both factors seemed to produce the same results: low quality, unskilled staff, large staff-child ratios, poor use of plant and materials, minimum-to-adequate staff-child interactions, and inadequate programs for the children. The low cost center which was highly rated was part of a larger organization and had the advantage of donated resources, professional volunteers and "hidden services" not fully costed out.

We wish to emphasize that our sample was very limited in size and a larger group of low cost centers may indicate other quality issues. Therefore, we are not suggesting that this low/cost - low/quality finding will hold across the board in a more complete survey.

3.0 PROJECT HISTORY

Our study of high and low cost day care centers was conducted in two major stages. Phase one, beginning on November 1, 1974, and concluding on April 1, 1975, centered on the fielding of a mail survey to 17 day care centers, 10 high cost and 7 low cost centers. Major tasks for this phase included: (1) selection of a sample of centers for the mail survey, (2) adaption of Abt Associates survey instruments, (3) data analyses, and (4) mail out and follow up procedures for the survey.

Phase II included visits to a sample of high and low cost centers to gather quality data and to validate the results of the mail questionnaire. Phase II commenced on January 15, 1975, with preparations for site visits and ended on June 1, 1975, with submission of field observation reports from teams chosen by Ms. Roz Silver from the Department of Social Services, Albany, New York. The principle tasks associated with Phase II included: (1) selection of sites, (2) adaption of Abts interview guide and quality rating instruments, and (3) the on-site visits.

SAMPLE SELECTED FOR THE MAIL SURVEY

The primary objective of the mail survey was to provide New York State officials with a general overview of the categories and range of day care services provided in high and low cost centers.

Centers were chosen randomly from a list of all centers in Suffolk, Nassau, and Westchester Counties having between 40 and 45 children. Centers charging between $40 and $50 per week per child were considered high cost, with low cost centers charging between $20 and $30 a week per child.

COUNTY	HIGH COST	LOW COST
Westchester	5	2
Suffolk	3	3
Nassau	2	2
TOTAL	10	7

3.2 SELECTION AND ADAPTION OF THE MAIL QUESTIONNAIRE

Because of the limited funding for this project REAP Associates, with permission from Abt Associates, utilized a questionnaire previously developed by their day care research staff for a similar study in the State of Maryland. This survey was designed to elicit basic information on core operations and costs of the day care services. The survey instrument included questions in the following areas:

* Center operations and facilities
* Child enrollment
* Services, schedules, and activities
* Transportation and provider catchment area
* Parent involvement
* Staff characteristics and salaries
* Staff training activities
* Volunteers and donated goods
* Expenditure data and other cost-related data

Since the Abt survey was developed for a comparison of state, private, and family day care centers, we eliminated some of the questions that were not relevant to our study objectives and modified the instruments to suit our needs.

3.3 QUESTIONNAIRE MAIL-OUT AND FOLLOW-UP PROCEDURES

On November 27, 1974, the survey, along with a cover letter from Mr. Elliot Entis, Project Director for this study, was sent to the selected centers. A follow up letter and the same questionnaire was sent out again on February 18, 1975, to centers that had not responded to the first mailing. Additional follow up activities were also conducted by the Division of Social Services out of the office of Ms. Roz Silver.

Final receipt of these questionnaries was April 1, 1975. Seven high cost centers and six low cost centers responded to the survey.

Even though all centers within the tri-county target area that satisfied the enrollment and cost qualifications for this study received a questionnaire, our original sample was very small, thereby limiting the conclusiveness of this study. While 77% of the centers responded to the survey, large gaps existed in various data categories where centers did not respond even after repeated follow-up activities. Unlicensed proprietary centers did not respond at all and could not be included in the study.

Some of the major areas in which we lacked sufficient information to make conclusive statements or comparative study were:

1) Staff experience or educational background
2) Job descriptions
3) Individual staff salaries
4) Staff training
5) Volunteer services
6) Number of hours staffs worked per week
7) Comprehensive budgets (amounts expended for each program in various categories, i.e., staff, travel, rent, supplies, etc
8) Fee schedules--charges to parents/amounts paid by states
9) Ethnic and economic status of children

In spite of these data voids, we were able to utilize the data that was returned to make some determinations about cost and quality of service in high and low cost centers. It should be noted that even in the areas where data was abundant, our study included such a small smapling of centers that our findings can not be applied across the board unless and until a larger, more comprehensive and encompassing study is performed.

3.4 SELECTION AND PREPARATION FOR ON-SITE VISITS

Our on-site visits were restricted to a randomly selected sample of 8 day care centers evenly distributed among high and low cost sites.

Ms. Roz Silver from the Department of Social Services contacted the designated sites to explain the purpose of our visit and to arrange visit dates and establish individual schedules for each visit (interviews with director, staff, accountant, classroom observation).

3.5 FIELD INSTRUMENTS FOR ON-SITE VISITS

REAP Associates, with permission from Abt Associates, utilized field instruments developed by them for their Maryland study. This field instrument was designed to assist our field teams in gathering additional key data and in assessing center quality.

The site visit guide included instructions for quality assessments with thorough observation and interviewing and rating scales to be completed at the conclusion of each visit and again at the conclusion of the field effort. The instrument measures broad differences in quality of programs and broad trends in quality as related to costs.

3.6 CONDUCT OF FIELD VISITS

Site visits to the eight centers began in February 1975 and were conducted by two-person teams, one staff person from REAP Associates and one person from New York selected by Ms. Roz Silver for their experience with New York State day care programs. Each center visit was scheduled for a full day commencing at or near arrival (8:30-9:00 a.m.) and continuing through the pick-up and departure of at least half the children (4:30-5:00 p.m.). While some centers were amenable to this full day visit, many of the smaller centers found it to be disruptive and asked that we limit our stay to only a few hours in the morning.

Team members followed the schedule given below, tailoring it to the operation of the individual center program. In the cases cited above, where teams visited for the morning hours only, the team split up the interviews to save time without forfeiting important data.

8:30-9:00 a.m.	Observe arrival
9:00-9:30 a.m.	Classroom observation
9:30-10:30 a.m.	Director Interview
10:30-11:30 a.m.	Classroom observation
11:30-12:00	Observer lunch (interview food preparation staff,
1:00-2:00 p.m.	Staff meeting
2:00 p.m.	Individual staff interviews
3:00-4:00 p.m.	Classroom observation
4:00-4:30 p.m.	Closing interview with director

4.0 DETAILED FINDINGS AND SUMMARY DATA

4.1 Day Care Services

4.1.1 PROGRAM LOCATION

		Less Than 1	1-3 Years	3-5 Years	More Than 5
Years of Operation	High Cost	--	42.9%	42.9%	14.2%
	Low Cost	--	--	--	100.0%

Type of Facility	High Cost	Low Cost
House	28.6%	33.3%
Apartment Bldg.	--	--
Day Care Bldg.	--	16.7%
Converted Office	--	--
School	--	16.7%
Church	42.9%	33.3%
Community Bldg.	14.3%	--
Other	14.3%	

How Organized	High Cost	Low Cost
Independent Non-Profit	57%	17%
Independent Profit	--	67%
Community Action Agency	--	--
Model Cities	29%	17%
Church	--	--
College/University	--	--
Other	14%	--

Interpretation: High cost centers appear to have been more recently established than low cost centers, with only 14% having been in operation for more than five years. All low cost centers sampled have been in operation for five or more years. Both types of centers are located in

a variety of physical structures, although 42% of the high cost centers and 33% of the low cost centers are housed in churches. 28.6% of the high cost and 33% of the low cost are in houses. Sixty-six percent of the low cost centers pay considerable rent for their space, while 75% of the high cost centers tend to receive donated space. Only one center is located in a structure built especially for day care activities. (No day care centers sampled have been operating for less than one year, an indication that day care services are not expanding). Fifty-seven percent of the high cost centers are independent non-profit, whereas a surprisingly high 67% of the low cost centers are independent profit-making organizations. Of the 43% of high cost centers housed in churches, 29% are operating under the auspices of a religious organization with considerable administrative and financial support from the parent church.

4.1.2 PROGRAM OPERATIONS

		MEAN	MINIMUM	MAXIMUM
Hours Open Each Day	High Cost	10.1	10.0	10.5
	Low Cost	9.1	8.0	10.5

		MEAN	MINIMUM	MAXIMUM
Hours Open Each Week	High Cost	5.0	5.0	5.0
	Low Cost	5.0	5.0	5.0

		MEAN	MINIMUM	MAXIMUM
Months Open Each Year	High Cost	12.0	12.0	12.0
	Low Cost	10.9	10.0	12.0

		MEAN	MINIMUM	MAXIMUM
Holidays Closed	High Cost	9.0	9.0	14.0
	Low Cost	5.8	4.0	8.0

		MEAN	MINIMUM	MAXIMUM
Days Open Each Year	High Cost	251.0	246.0	260.0
	Low Cost	234.5	211.7	255.0

Interpretation: There is virtually no difference between high and low cost centers in terms of the availability of care services. All providers offer care five days per week throughout the year, with high cost centers open 17 days longer each year than low cost centers. High cost centers

close 3.2 days more each year for holidays. Both centers are open between 9 and 10 hours a day and thus have the capacity of meeting the needs of parents working full-time, although most centers serve children fewer than 8 hours per day and are responding to parental needs other than work-related. While high and low cost centers are comparable in the amount of care available, it should be noted that the data show little, if any, care available for evening or week-end needs.

Staff

		MEAN	MINIMUM	MAXIMUM
Number of Paid Staff	High Cost	12.0	5.0	15.0
	Low Cost	3.3	2.0	6.0

		1:4 or Better	1:5 to 1:7	1:8 to 1:10	Total
Staff:Child Ratios	High Cost	86%	14%		100%
	Low Cost	17%	33%	50%	100%

Interpretation: Although the mean total enrollment for high and low cost programs is 34 children, staff size varies considerably between the two program categories. High cost programs average twelve paid staff, giving 86% of the programs a staff:child ratio of 1:4 or better and 14% 1:7 or better. Low cost programs have staff:child ratios of 1:4 or better in 17% of the cases, 1:7 or better in 33% of the cases, and 1:10 or better in 50% of the cases, with the average number of paid staff being 3.3.

		MEAN	MAXIMUM	MINIMUM
Director's Years of Experience in Child Care	High Cost	16	2	35
	Low Cost	16	10	26

		No Formal	Less Than One Year College	1-2 Years College	B.A./B.S.	M.A./M.S.
Director's Highest Degree or Educational Background	High Cost	--	--	--	43%	57%
	Low Cost	33%	17%	--	33%	17%

Interpretation: The average number of years experience in child care for directors in both high and low cost centers is 16 years. Although directors in both program categories share the same number of years experience, all high cost center directors have undergraduate degrees or better, whereas only 50% of the directors in low cost programs have high degrees and 50% of them have either no formal training or less than one year.

		MEAN	MINIMUM	MAXIMUM
Directors Hours Worked Per Week	High Cost	36	30	40
	Low Cost	45.8	35	62

Interpretation: Although high cost centers are open 1 hour longer each day, averaging 50 hours per week compared to 45 hours for low cost centers, directors in high cost centers work only 36 hours compared to the 46 hours for low cost center directors. From this survey, together with our site visit observations, we found that in low cost centers, directors wear a variety of hats during a working day. Because staff and budgets are smaller in these centers, directors tend to be combination administrators/teachers with full responsibility for the management and delivery of both. This dual responsibility accounts for the longer hours.

Staff Training

PERCENTAGE OF CENTERS HOLDING REGULAR STAFF MEETINGS	High	100%
	Low	100%

FREQUENCY OF STAFF MEETINGS	Once per week	Once per month	Twice per year	Occasionally
High	71%	29%	---	---
Low	66%	17%	17%	---

PERCENT OF CENTERS PROVIDING STAFF TRAINING	Once per week	One per month	Once a year	Occasion-ally	None
High	43%	29%	14%	14%	--
Low	33%	-	67%	-	--

PERCENT OF CENTERS PROVIDING STAFF TRAINING	High	100%
	Low	100%

Interpretation: All high and low cost centers hold regular staff meetings; and the frequency of these meetings being similar as well. Seventy-one percent (71%) of the high cost centers hold meetings once a week, as do 66% of the low cost centers. Staff training is also provided by both types of centers with 43% of high cost centers providing it once a week and 29% once a month, while 67% of low cost centers provide it only once a year and 33% once a week.

In high cost centers, staff training was most often provided by in-house staff whereas low cost centers tended to send their

staff to training sessions sponsored by state, local agencies, or consultants. High cost centers tended to have more formally trained staff members which may account for their in-house training capacity.

4.1.3 PROGRAM ENROLLMENT

. General Enrollment

		MEAN	MINIMUM	MAXIMUM
Total Enrollment	High	35	30	45
	Low	33	35	63

. Enrollment By Hours In Attendance

		MEAN	MINIMUM	MAXIMUM
Children Enrolled 4 Hrs. or Less	High Cost	1.1 (3.1%)	0	8
	Low Cost	6.3 (1.9%)	2	10

		MEAN	MINIMUM	MAXIMUM
Children Enrolled 5-8 Hrs.	High Cost	28 (80%)	18	36
	Low Cost	19 (58%)	9	26

		MEAN	MINIMUM	MAXIMUM
Children Enrolled 8 Hrs. or More	High Cost	6.3 (18%)	0	15
	Low Cost	3.4 (10%)	0	17.5

Interpretation: Both high and low cost centers have mean total enrollments that are comparable (35 children in high cost, 33 children in low cost). In both state and private centers, roughly 2.5% of the children enrolled are in the center for four hours or less; approximately 70% are in the center five to eight hours, and 14% spend more than eight hours daily in the care facility.

The average child day in centers is about 7.2 hours (7.37 for high cost centers; 7.03 for low cost centers). Although the average center is open for 9.5 hours per day, children are present fewer than five hours and the average child day is only 76% of the center's

operating day. While it is not considered practical nor even possible to achieve full capacity for each operating hour, some under utilization appears to exist - a factor that has direct impact on costs.

		None	1-5	6-10	over 10
Number of Handicapped Children	High	57%	29%	14%	0
	Low	67%	33%	0	0

Interpretation: The table above indicates that neither high nor low cost centers provides, to any significant extent, services to the children with medically diagnosed special needs. Fifty-seven percent of the high cost and 67% of the low cost centers serve no handicapped children.

4.1.4 CORE SERVICES

Service Provided	Percentage of centers with service present	
	High Cost	Low Cost
FEEDING		
Breakfast	57%	17%
Lunch	100	83
Dinner	0	17
Morning snack	100	100
Afternoon snack	100	100
ACTIVITIES & SPACE		
Outdoor Play Area	100%	100%
Outdoor Play Equip.	100	100
Place to Nap	100	100
Books	100	100
Structural Ed. actv.	100	100
Toys	100	100
Musicial Instruments	100	100
TV/Radio/Phonograph	100	100
Clothing	71	33
PERCENTAGE REPORTING USE OF DAILY SCHEDULE FOR ACTIVITIES	100%	83%

Interpretation: Overall, there are virtually no differences between high and low cost centers in the provision of basic services: food, space, and standard equipment. Fewer low cost centers provide breakfast but 17% provide dinner, whereas no high cost centers do. Every center provides all the activities, including expensive musical instruments, TV, radio, even provided in low cost centers.

As indicated above, almost all centers follow some regular schedule of dailyactivities, indication of staff planning and adherence to daily routine.

Supplementary Child & Family Services

HEALTH	HIGH COST	LOW COST
Medical check-up	71%	33%
Dental check-up	86	33
Emergency Medical	100	83
Medical follow-up	29	17
Psychological tests	71	17
Speech/hearing/vision test	71	33
FAMILY SUPPORT		
Guidance counseling	86%	33%
Other family & social services	71	33

Interpretation: A majority of the high cost centers provided all of the above services with the exception of medical follow-up (29%) whereas only emergency medical care was provided by a majority of the low cost centers. This data does not indicate the frequency of service provisions nor the number of children and families serviced. From our on-site visits and staff interviews we learned that most of these services in low cost centers provided are on an as-needed basis and referred to public health facilities or private physicians at a cost to the individual family.

NUMBER OF 23 ACTIVITIES PRESENT	ME	MI	MX
High	17.86	16	21
Low	15.33	11	19

NUMBER OF 5 FEEDING SERVICES PRESENT	ME	MI	MX
High	3.6	3	4
Low	3.2	3	4

NUMBER OF 9 ACTIVITIES & SPACE PRESENT	ME	MI	MX
High	8.7	8	9
Low	8.3	8	9

NUMBER OF 6 HEALTH SERVICES PRESENT	ME	MI	MX
High	4.1	2	6
Low	2.2	0	4

NUMBER OF 2 FAMILY/ SOCIAL SERVICES PRESENT	ME	MI	MX
High	1.57	0	2
Low	.7	0	2

Utilizing these tables, it is apparent that little or no difference exists between high cost and low cost centers in the provision of core services.

Parent Involvement

PARENT COMMUNICATION	Once per mo.	Twice per year	Occasionally	On Request
High	29%	71%	---	---
Low	67%	---	33%	---

TYPE OF PARENT ACTIVITY PROVIDED	Group Social	Advisory Council	Comm. Org.	Fund Raising	Parent Ed.
High	100%	57%	---	57%	86%
Low	17%	17%	17%	33%	---

Interpretation: All centers communicate with parents in varying ways and degrees. High cost centers for the most part (71%) meet with parents twice a year, whereas low cost centers (67%) tend to see parents more frequently on a once-a-month basis. With respect to the type of parent activities however, more high cost centers offer activities of varying sorts to involve parents in the center. Low cost centers are less focused on parent involvement except in the area of fund-raising.

4.2 DAY CARE QUALITY

4.2.1 QUALITY ASSESSMENT PROCEDURES

As indicated in the Project History, we visited a random sample of centers over a five month period; visits lasted one half to one full day at each center. The data gathered by our two-person teams enabled us to answer the question: "Are there gross differences in perceived quality between high and low cost day care centers?"

Based on Abt's previous work in assessing day care quality, they developed a precise definition for acceptable quality suitable for day care designed to meet the needs of parents who work or who are in training.

The Abt rating instrument measures quality in terms of specific attributes, competencies and behaviors along 11 critical components of any day care program grouped into four major dimensions: quality of staff (director, care staff, non-care staff); quality of interactions (director-staff, director-children, staff-staff, staff-children); quality of program (for children, for staff, for parents, support); and quality of plant and materials (physical quality, quality of use). Each of the 11 components is given a judgmental weighting as follows:

Dimensions		Weight
Quality of Staff		30
Director	10	
Care Staff	15	
Non-Care Staff	5	
Quality of Interactions		35
Director-Staff	10	
Director-Children	5	
Staff-Staff	5	
Staff-Children	15	

Quality of Program		20
For children	10	
For staff	5	
For parents	3	
Support	2	
Quality of Plant and Materials		15
Physical quality of P/M	5	
Quality of use P/M	10	
Overall Rating of Center		100%

The Abt instrument is simple and straightforward. The instrument data is built upon a systematic interview/observation guide that focuses the skills of experienced field staff upon a number of key indicators of quality. The specific questions or behavioral/programmatic characteristics which articulate quality along each dimension are included in the appendix.

The rating sheet is a three-part instrument completed independently by each field team member at the conclusion of each site visit. Using the individual ratings, a team rating was also constructed by the field staff leading to reconciliation of any major discrepancies.

The first segment of the instrument is a semantic differential and overall atmosphere rating. It was not used in rating the centers and homes; rather the semantic differential provided an opportunity for an effective response independently of the rational/intuitive quality judgment. This portion of the instrument was completed before the ratings and served as a "recall" mechanism in pinpointing events, interactions, and experiences encountered throughout the visit. It also served as a point of departure in developing team ratings and in identifying differences in perceptions vis-á-vis the center experience.

The most important portion of the instrument is the rating scales themselves. A scale ranging from 0 to 100 is provided for each quality dimension. Distance between the guide points is 20 points and is scaled to specific post visit measurement by ruler. Raters marks were mechanically measured and translated into raw scores and then weighted according to the scheme already presented.

In presenting the overall quality ratings, we have used the sum of sub-scores rather than the score received on the major dimensions and "Overall Quality" scale. These summative scales were used as a cross check for rater and inter-rater reliability.

The final portion of the instrument (cover sheet) merely calls for an accounting of the actual schedule followed and a subjective response to the questions "Would you send your child to this center/home?" and "How programmed was your day?"

4.2.2 QUALITY RANKINGS FOR HIGH COST AND LOW COST CENTERS

Major findings: All of the high cost centers observed provide care of good to excellent quality. Of the low cost centers studied none provides care of excellent quality, only one provides care of good quality. The remaining low cost centers provide adequate to minimum quality of care. It should be noted that none of the high cost centers are proprietary whereas three of the low cost centers are.

High Cost	Score	Quality Range	Low Cost	Score	Quality Range
A	88	Excellent			Excellent
B	81				
C	66	Good	AA	69	Good
D	59				
		Adequate	*BB	47	Adequate
		Minimum	*CC	16	Minimum
			*DD	10	

* Proprietary Centers

Of the four high cost centers, two were rated "excellent" and two were rated "good". Of the four low cost centers, one provided good care, one adequate care and two minimum quality care. There were considerable differences between high cost and low cost centers on most quality dimensions which would suggest favoring high cost over low cost centers. On the following chart, rank orders are given for all centers along each quality dimension as compared with the overall quality rating. The first column is the center rank by overall quality, the second column identifies the centers rank in terms of the specific dimensions given. Raw scores are provided in parentheses.

Quality of Atmosphere

A	1	1	90
B	2	3	75
AA	3	6	60
C	4	2	85
D	5	5	65
BB	6	4	68
CC	7	8	5
DD	8	7	60

Quality of Staff

1	1	27%
2	2	21%
3	3	21%
4	4	21%
5	5	19
6	6	16
7	7	7.5
8	8	4

Quality of Director

A	1	1	9
B	3	3	7
AA	2	5	6
C	4	5	7.7
D	5	2	8
BB	6	6	6
CC	7	7	3
DD	8	8	2

Quality of Care Staff

1	1	9
2	2	7
3	3	7
4	4	6.2
5	5	5
6	6	5
7	7	?
8	8	2

Quality of Non-Care Staff

1	1	9
2	3	7
3	2	8
4	5	5
5	4	7
6	6	5
7	NA	NA
8	7	0

Quality of Interactions

A	1	2	32
B	2	3	31
AA	3	1	30
C	4	4	27
D	5	6	19
BB	6	5	23
CC	7	7	7
DD	8	8	4

Director-Staff

1	1	7.8
2	2	7
3	4	7
4	3	7
5	5	5.2
6	6	5.2
7	7	.8
8	8	.4

Director-Children

A	1	2	7.8
B	2	1	8.3
AA	3	3	7.8
C	4	4	6.1
D	5	6	4.3
BB	6	5	5.2
CC	7	7	3.5
DD	8	8	1.3

Staff-Staff

1	2	7.8
2	3	7.8
3	4	7.8
4	1	8.7
5	6	4.8
6	5	5.2
7	7	.43
8	8	.43

Staff-Children

1	1	7.8
2	2	7.8
4	5	5.2
5	6	4.3
6	4	7
7	7	1.7
8	8	1.7

Quality of Program

A	1	2	15
B	2	1	16
AA	3	5	7
C	4	3	10
D	5	4	10
BB	6	6	5
CC	7	7	0
DD	8	8	0

For Kids

1	1	4.7
2	2	4
3	4	3
4	3	3.5
5	5	3
6	6	2
7	7	0
8	8	0

For Parents

1	2	2.5
2	1	4
3	6	0
4	4	1.5
5	3	2
6	5	1
7	7	0
8	8	0

For Support Program

A	2	3.5
B	1	4
AA	6	1.5
C	3	3.5
D	4	3.5
BB	5	.2
CC	7	0
DD	8	0

For Staff

1	1	4.5
2	2	4
3	3	2.5
4	4	1.5
5	5	1.5
6	6	1
7	7	0
8	8	0

Quality of Plant Materials

A	1	1	14
B	2	2	13
AA	3	3	11
C	4	5	10
D	5	4	11
BB	6	6	3
CC	7	8	.8
DD	8	7	2

Physical Quality of Plant

1	1	6.7
2	2	6
3	3	6
4	4	6
5	5	6
6	6	1.5
7	8	.75
8	7	1.5

Quality of Use of Plant Materials

A	1	1	6.7
B	2	2	6.7
AA	3	5	3.7
C	4	3	5.2
D	5	4	5.21
BB	6	6	1.5
CC	7	8	0
DD	8	7	.3

2.3 ANALYSIS OF DEPENDENT QUALITY VARIABLES

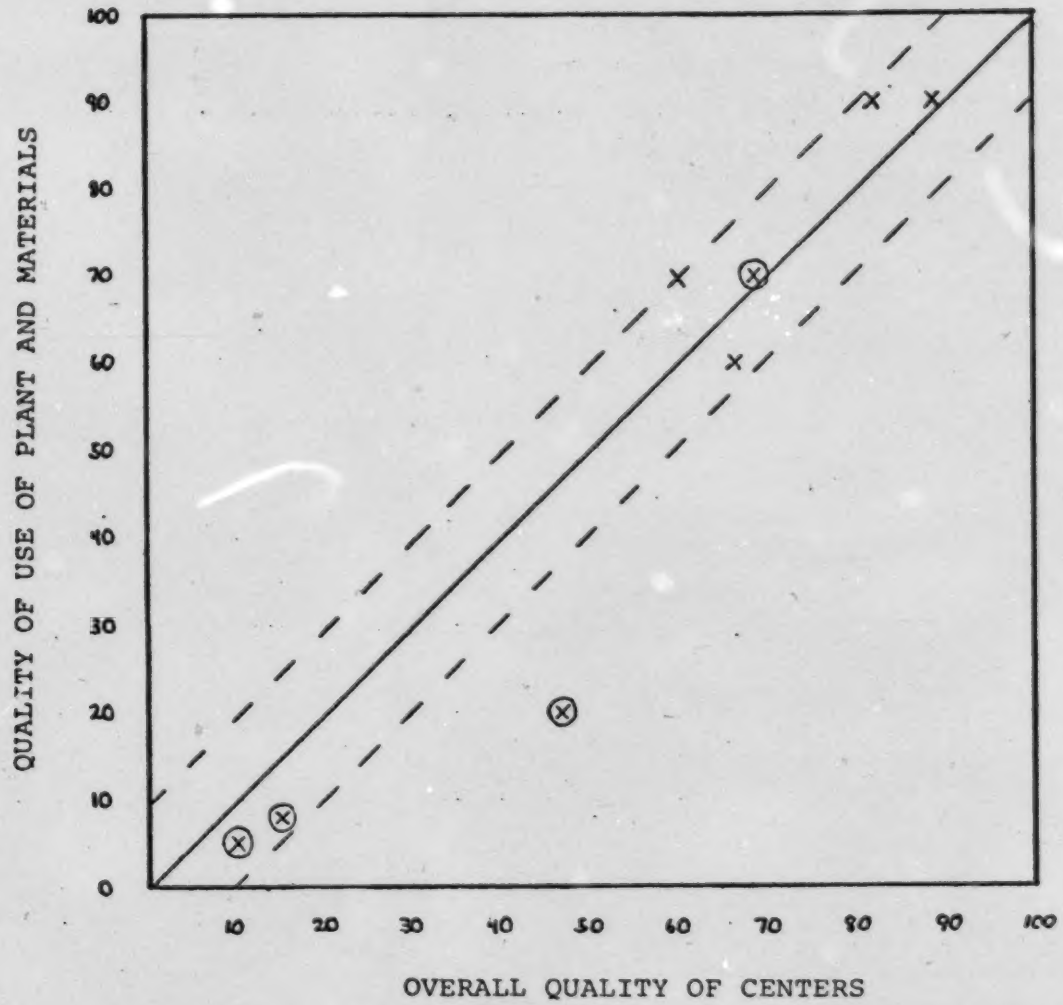
The charts on the following pages demonstrate the degree of dependence and independence between program quality and the sub-quality dimensions. In each case, the overall program quality rating for each center is plotted on the horizontal axis, while the second dependent variable (sub-dimension) is plotted for each center on the vertical axis. The straight line drawn at a 45° angle is to the axis demonstrater an absolute correlation between overall program quality and the sub-dimension. The dotted line ten percent to either side of this line defines the limits within which the sub-dimension can be regarded as a fairly close prediction of overall center quality.

In each chart we have indicated the number of centers which fall within and outside of the range of positive correlation and dependence. It is notable that the areas of highest correlation are staff-child interaction, quality of care staff, quality of program for kids and quality of use of plant and materials and staff-child ratios. We found these five

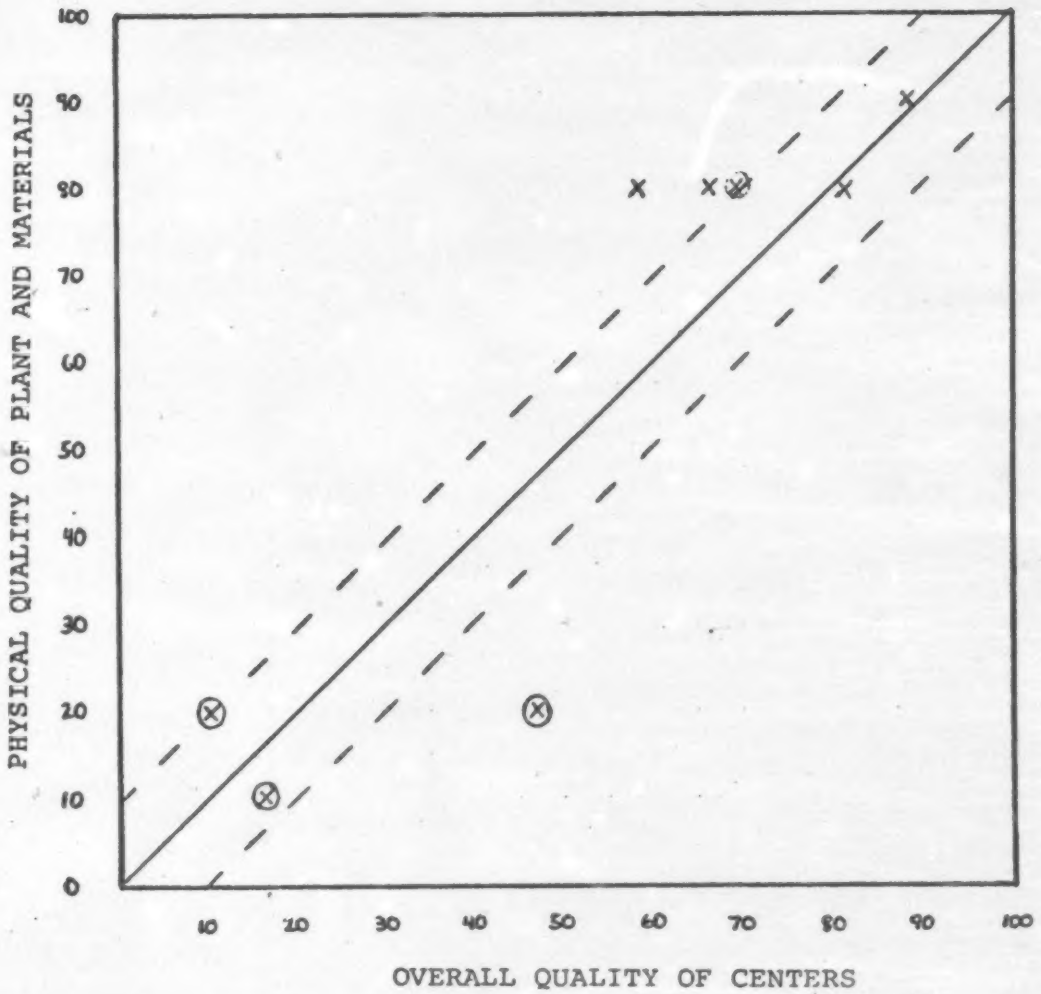
areas to be most indicative of center quality, regardless of a variety of other factors, such as quality of plant and materials or size of center.

Interpretation: As indicated by these graphs, quality of care staff, program for kids, staff-child interactions, staff-child ratios and use of plant materials are most likely to predict the overall program quality. The quality of the physical plant and materials, and the quality of director are more independent of program quality. We found poor physical plants (lack of adequate indoor space, inconvenient structural arrangements, "make do" equipment, etc.) in both high and low cost centers. The creative use of plant and materials, however, tends to be more indicative of overall quality of program.

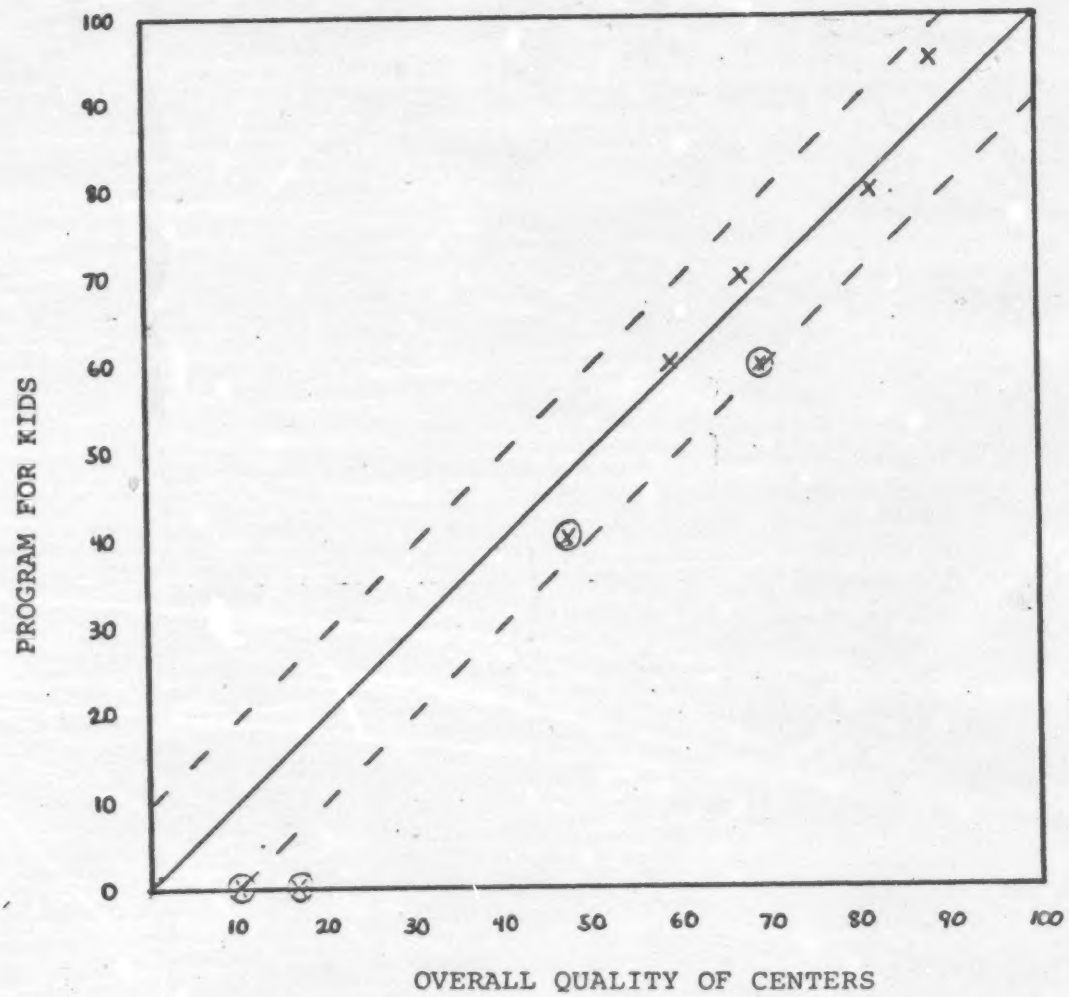
The quality of director appears to be more independent of program quality, depending on the size of staff and role of director in the program. In our field observations, we found that directors were so dissimilar in their responsibilities and job functions from center to center that a comparative study was difficult. Some directors planned curricula, conducted parts of the program and had direct responsibility as care staff. In other programs, directors were only administratively involved, handling the books, the logistics,and community affairs, with little or no impact on program activities or contact with the children.



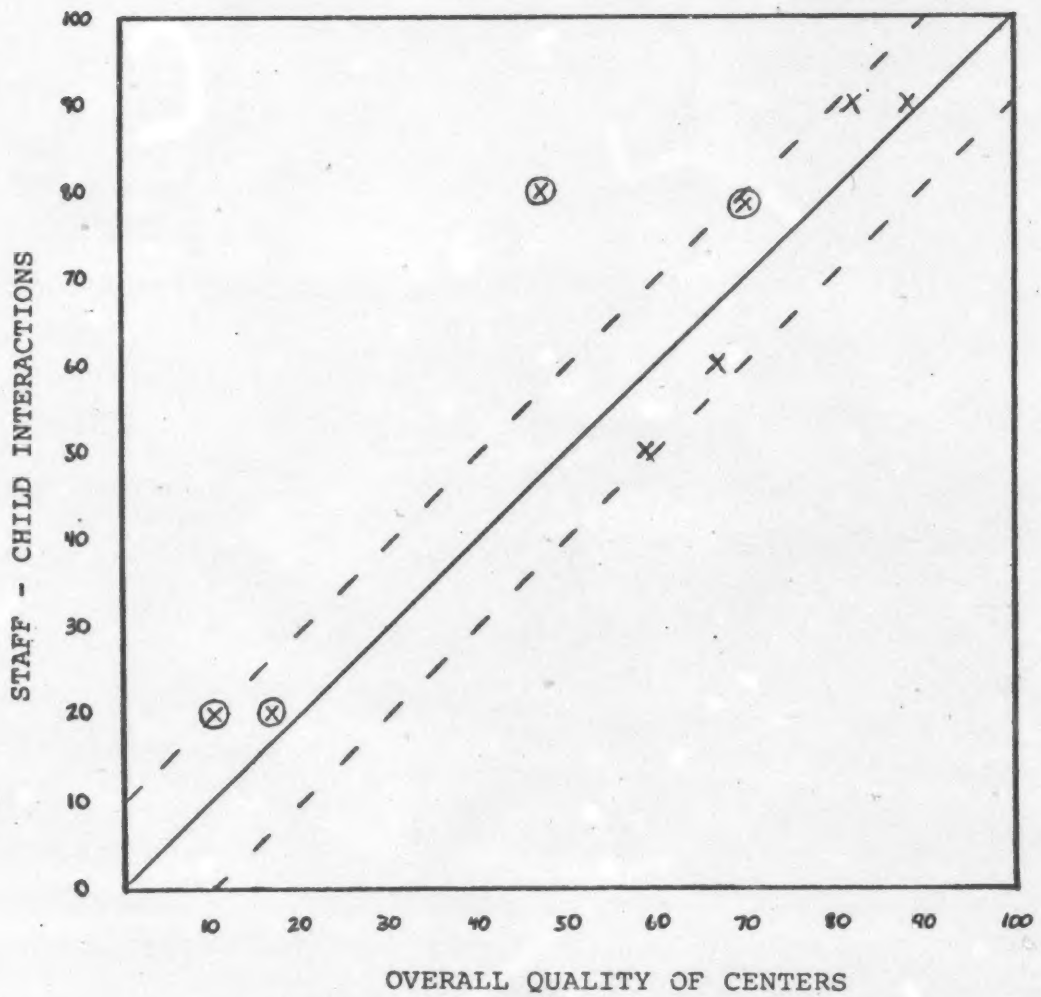
Congruence	No. of Centers		
Within 10%	7	x	High Cost
Outside	1	(x)	Low Cost



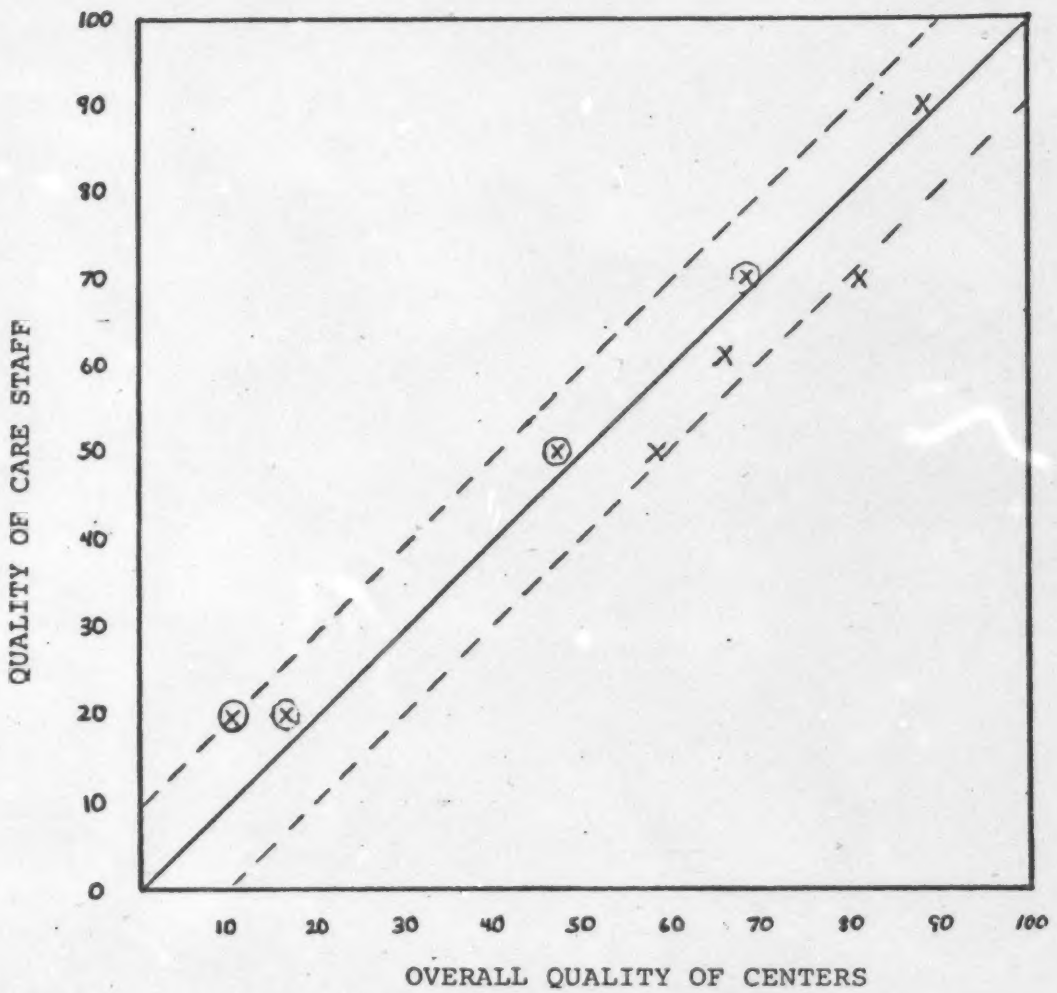
Congruence	No. of Centers		
Within 10%	5	x	High Cost
Outside	3	⊗	Low Cost



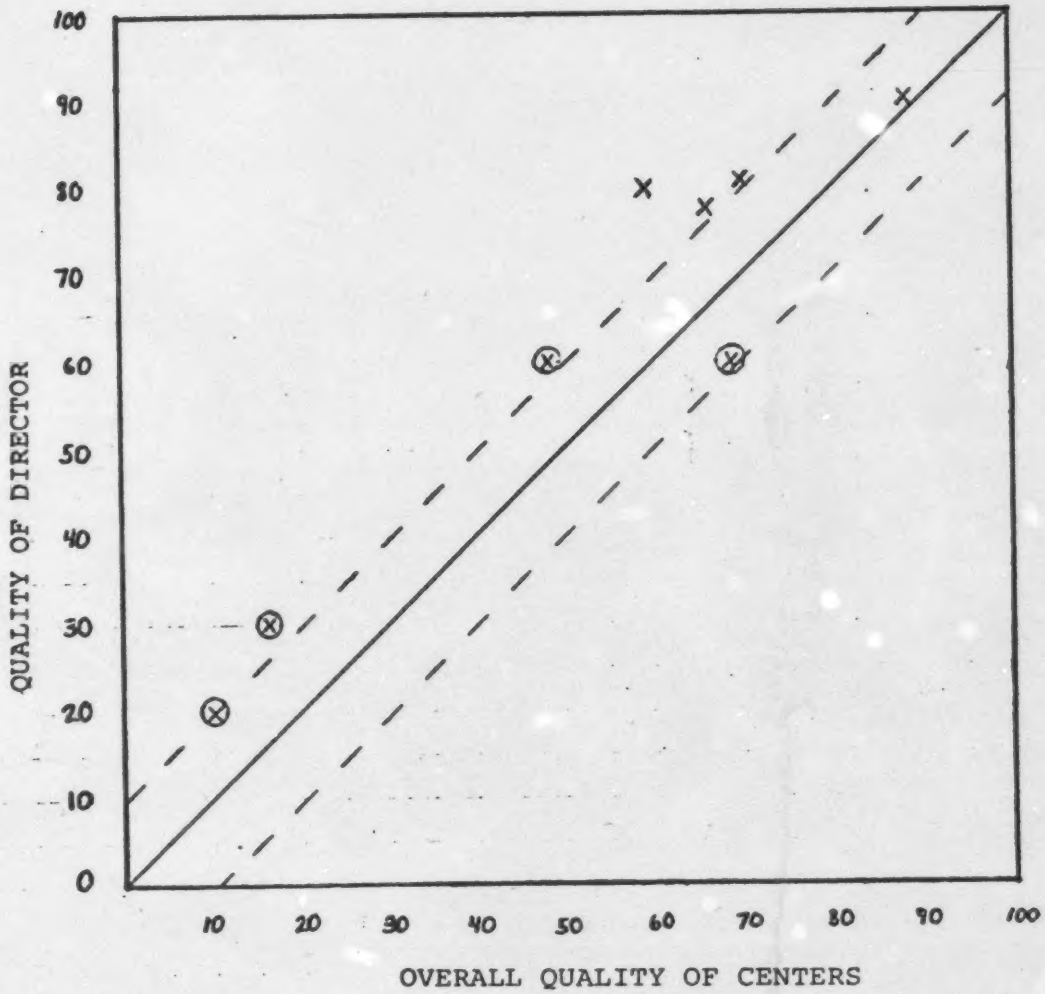
Congruence	No. of Centers		
Within 10%	7	x	High Cost
Outside	1	⊗	Low Cost



Congruence	No. of Centers		
Within 10%	7	X	High Cost
Outside	1	⊗	Low Cost



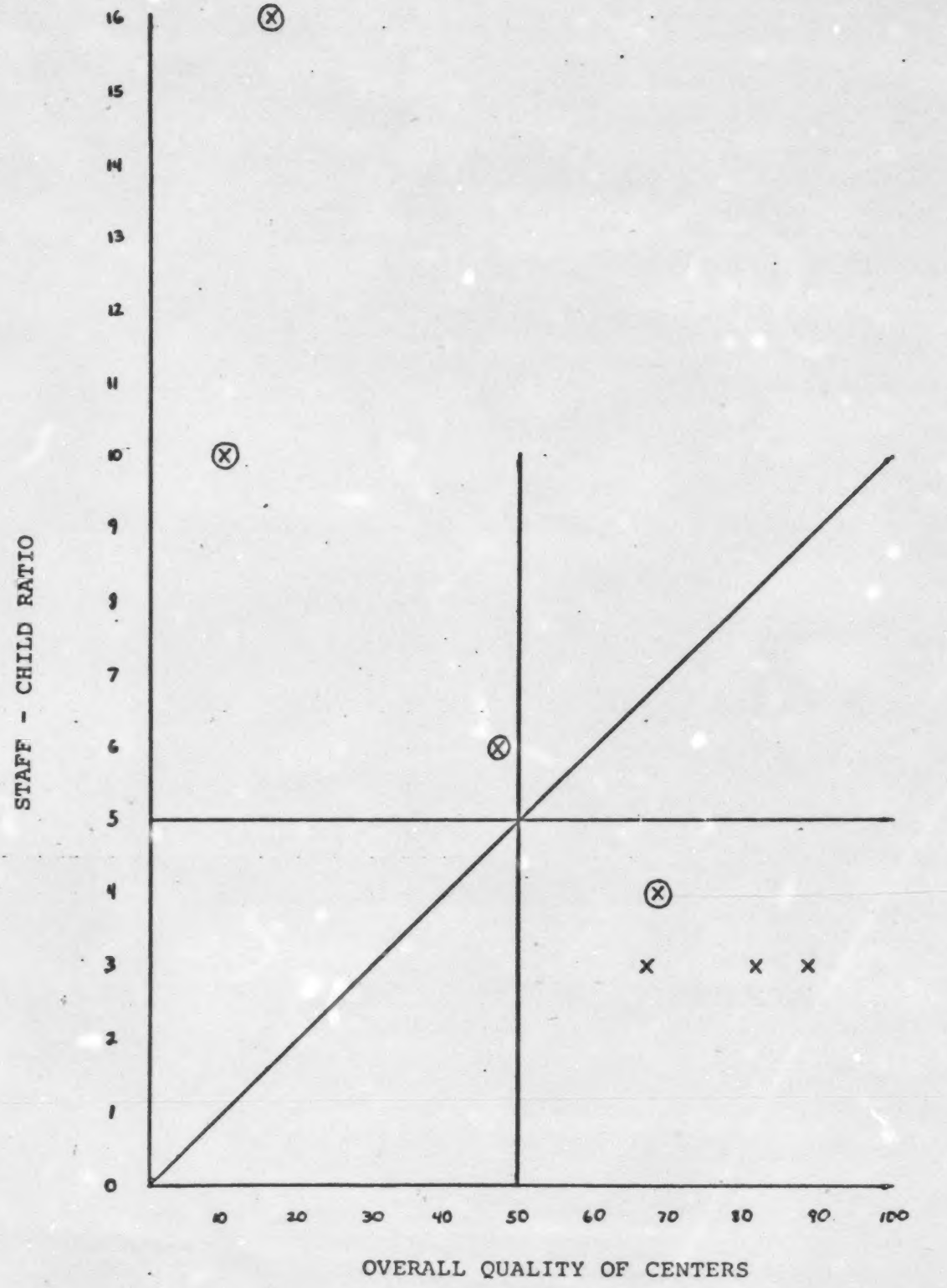
Congruence	No. of Centers	
Within 10%	7	x High Cost
Outside	1	⊗ Low Cost



Congruence	No. of Centers
Within 10%	3
Outside	5

× High Cost

⊗ Low Cost


16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
STAFF - CHILD RATIO
10
20
30
40
50
60
70
80
90
100
OVERALL QUALITY OF CENTERS
High cost
Low cost

4.3 DAY CARE COSTS

A comparison of budget expenditures between high and low cost day care centers reveals some significant differences, but more similarities (than perhaps expected) in the way money is allocated. The budget model we are using for this analysis utilizes a "total resources" concept and thus includes donated service and goods as part of expenditures. The findings, however, are subject to some severe limitations due to:

- limited sample size
- inaccuracies in reported data - budgets which simply do not add up
- different ways of reporting expenditures at different centers, leading to difficulties in separating out important categories, e.g. "Equipment and Supplies" is not always broken out between child care and administration; "occupancy" sometimes includes items otherwise placed under "administration."
- severely underreported donations, particularly at low cost centers (as confirmed by our site visits)
- centers which did not submit total budgets, but lumped everything into "salaries" and "other"

Because of these difficulties, some of the analysis must be treated gingerly and an error rate of $\pm$10% in categories should be assumed.

Despite these later problems, the following conclusions can be safely made. Within the sample:

- 60% of administration salary costs are in the form of donated services at low cost centers, while this is non-existent in high cost centers. The director is generally the lead teacher who "contributes" administration time.
- Total direct child care costs represent close to 50% of the budget in both high and low cost centers.

(more)

- A smaller proportion of budget expenditures is made for social services and food in low cost centers than in high cost centers.
- A larger proportion of budget expenditures is made for equipment and supplies, occupancy (rent, utilities, custodial services) and transportation in low cost centers than in high cost centers.
- Health expenditures are small and proportionally about equal in both types of centers.
- Both types of services represent about 14% of the budget in low cost centers, less than 8% in high cost centers.
- Salaries in low cost centers are half to two-thirds of those in high cost centers.

In relation to the last finding - salary differentials - it is interesting to note that there is little if any pay difference between teachers and teacher's aides in low cost centers. Further examination of the data indicates that this is often because there is little educational or job description difference between various child care workers, most of whom are at the para-professional level in terms of formal education. This is in sharp contrast to high cost centers where professionals and paraprofessionals earn vastly different salaries and are clearly differentiated in terms of formal job descriptions.

It is not true, however, that most of the per-child cost difference between centers lies in salary differentials. In every category except transportation and occupancy costs, low cost centers spend less than half the amount (including donations) as high cost centers on a per-child basis. For example, high cost centers spend $379 for food services per child; low cost centers spend only $136. Social services accounts for $163 per child at high cost centers, only $5 per child at low cost centers. Total direct child care costs average $1,535 at high cost centers, $655 at low cost centers. A complete exposition

of these findings is contained in Exhibit 4.3.

Given these findings, and even making allowance for unreported donations, it is difficult to see how quality at extremely low cost centers could approach that of high cost centers even with the best of intentions. Extremely low salaries do not draw large numbers of competent people. Very low food budgets do not allow for the variety and balance of larger budgets. What makes the position of low cost centers even worse is that on a percentage basis, a larger amount of money must go for basic overhead costs, and is skewed away from quality related cost items. In sum, cost and quality, at least at the extremes represented by this study, do have a relationship.

On the other side of the coin, those cost-quality relationships are not uniform and probably disappear to a large extent if extremes are avoided. An indication of this fact is that within the high and low cost groups, quality indices varied considerably as did expenditures in various categories. One low cost center was ranked as good, indicating that adjustments can be made under certain circumstances.[1] Similarly, some high cost centers reported spending no resources on social services or health, leading to speculation (unproven in this study) that services were weak in this area. Also interesting and deserving of further study is the role of expenditures for administration in high cost centers. These expenditures varied more than those in any category - from $271 to $904 per child. Our sample was too small to be conclusive as to the effect of these expenditures on overall quality, but there did seem to be some positive correlation.

/

1. This center was church-related and had support mechanisms not as readily available to other low cost centers.

EXHIBIT 4.3

BUDGET ANALYSES OF DAY CARE CENTERS

	High Cost Centers	Low Cost Centers
	N = 7 (243 children)	N = 5 (107 children)
Aug. Teacher Salary	$ 8,946	$ 4,119
Aug. T.A. Salary	6,174	3,964
TOTAL EXPEND. PER CHILD	$ 3,147	$ 1,344
DONATIONS PER CHILD	$ 239 (7.6%)	$ 188 (14%)

BUDGETS* (% and $)	% of Total Budget	$ Per Child	% of Total Budget	$ Per Child
Administration	18.2	574	17.6	236
Child Care	48.7	1535	48.7	655
Social Services	5.2	163	.3	5
Food	12.0	379	10.1	136
Health	1.7	52	1.6	21
Occupancy	12.1	382	16.7	224
Transportation	2.1	62	5.0	67
	100%	$3147	100%	$1344

Selected Major Budget Items	% of Total Budget	% of Total Budget
Salaries	73.8	64.0
(Administrative)	15.9	14.3
(Child Care)	44.9	43.9
Equipment & Supplies	16.7	26.4
(Administrative)	2.3	3.2
(Child Care)	3.1	4.8

/

* Including donated goods and services

5.0 APPENDIX

5.1

QUESTIONNAIRE

Please give the correct name and address of your center:

Center_____

Street_____

City, State and Zip_____

Center Director's Name_____

Center Telephone Number _____

PLEASE FILL IN AS SPECIFIED

First we'd like to ask you several questions about your center's operation.

1. How long has your center been in operation? (Check only one.)

   - ☐ Less than a year.
   - ☐ At least 1 and up to 3 years.
   - ☐ 3 and up to 5 years.
   - ☐ 5 years or more.

2. How many hours are you open each day?

   _____ (Specify number)

3. How many days are you open each week?

   _____ (Specify number)

4. How many months are you open each year?

   _____ (Specify number)

5. On how many holidays do you close the center?

   _____ (Specify number)

6. Where does your center operate?

   - ☐ In a single or multi-family house
   - ☐ In an apartment building
   - ☐ In a building built only for day care
   - ☐ In commercial space (store front, office) converted for day care

6. Continued

   - ☐ In a school
   - ☐ In a church
   - ☐ In a community center
   - ☐ Other (Specify)_____

7. If you know the approximate square footage of your indoor and/or your available outdoor play space, please indicate below:

   _____ Specify Indoor Space: Approx. Sq. Ft.

   _____ Specify Outdoor Play Space: Approx. Sq. Ft.

Next we'd like some information about the children in your center.

8. At the present time, how many children are enrolled in your center?

   _____ (Specify number)

9. Of the children enrolled, how many are in the center daily for: (Specify number)

   _____ 4 hours a day or less

   _____ 5 to 8 hours a day

   _____ More than 8 hours a day

10. To the best of your knowledge, of the children enrolled in your center, how many are handicapped; that is, how many have been professionally or medically diagnosed as mentally retarded, physically disabled or emotionally disturbed?

- ☐ None
- ☐ 1-5
- ☐ 6-10
- ☐ Over 10

11. On the average, how many children are absent each day?

_____ (Specify number)

12. Does your center maintain a waiting list?

No. Give reason: _____

_____

Yes. Specify number_____

13. Are there any further comments you'd like to make about your waiting list?
(Please use the space below to comment)

_____

_____

_____

Now we'd like some information about services your Center provides.

14. Do you have a regular schedule of daily activities that you follow at your center?

No

Yes (Please attach a copy or description of your daily activities.)

In the next column we have listed various services which your center may or may not provide.

Please indicate those services which are provided at your center or which your center arranges for

Check if your center provides or arranges for:

- ☐ Breakfast
- ☐ Lunch
- ☐ Dinner
- ☐ Morning snack
- ☐ Afternoon snack
- ☐ Transportation to/from center on a regular basis
- ☐ Clothing
- ☐ Outdoor play area
- ☐ Outdoor play equipment
- ☐ Place to nap
- ☐ Books
- ☐ Structured educational activities
- ☐ Toys
- ☐ Musical Instruments
- ☐ TV, radio or phonograph
- ☐ Medical check-ups
- ☐ Dental check-ups
- ☐ Emergency medical care
- ☐ Medical follow-up treatment
- ☐ Psychological tests
- ☐ Speech or vision or hearing tests
- ☐ Guidance or counseling for parents
- ☐ Other family and social services

Comments_____

_____

_____

15. Are there other special services which we should know about?

_____

_____

_____

16. What form of transportation do most children use to get to the center? (Check only one.)

- ☐ Walk
- ☐ Come in private or public transportation
- ☐ Come in center-provided transportation

17. What is the next most frequently used form of transportation? (Check only one.)

- ☐ Walk
- ☐ Come in private or public transportation
- ☐ Come in center-provided transportation

18. Do you schedule time to talk individually with parents or families of the children?

No

Yes. How Often: (Check only one)

- ☐ Regularly: at least once a month
- ☐ Regularly: at least twice a year
- ☐ Occasionally as needed
- ☐ Only on request

19. Do you hold group meetings with parents?

No

Yes. How often? (Check only one.)

- ☐ Regularly: at least twice a year
- ☐ Regularly: at least once a month
- ☐ Occasionally as needed
- ☐ Only on request

20. Listed below are parent activities which your center may or may not have. Please check only those activities in which your parents participate.

- ☐ Parent Education
- ☐ Group Social Activities
- ☐ Advisory Group or Council
- ☐ Community Organization
- ☐ Fund Raising
- ☐ Other (Specify)_____

_____

Next we would like some information about your staff.

21. How many paid staff do you have: that is, paid from the center budget?

_____ (Specify number)

22. As Center Director, please give us the following information about yourself:

(See Next Page...)

a. Years of experience in child care.

_____ (Specify number)

b. Hours worked per week.

_____ (Specify number)

c. Total salary per week.

_____ (Specify amount)

d. Number of Centers supervised.

_____ (Specify number)

e. Please describe your educational background: (Check all items that apply.)

Indicate specialization

- ☐ B.A., B.S. _____
- ☐ M.A., M.S. _____
- ☐ E.d.D. _____
- ☐ Ph.D. _____

f. Please list other related course work:

_____

_____

_____

23. Do you hold regular staff meetings?

No.

Yes. How Often?

- ☐ Regularly: at least once a week.
- ☐ Regularly: at least once a month.
- ☐ Regularly: at least twice a year.
- ☐ Occasionally as needed.
- ☐ Staff meetings are not held.

24. Please estimate the value of any donated goods (excluding space) such as surplus food, clothing, equipment, and/or educational supplies you have received in the past year. (Check only one.)

- ☐ None.
- ☐ Less than $100
- ☐ $100 to $500
- ☐ $500 to $1,000
- ☐ $1,000 to $1,500
- ☐ $1,500 to $2,000
- ☐ Over $2,000

25. Please estimate the total number of volunteer days of service you have received during the year for the following categories of service: (Specify number of days)

_____ Volunteers who serve as classroom aides

_____ Volunteers who substitute as teachers

_____ Volunteers who assist with maintenance and housekeeping

_____ Public Health Nurse

_____ Specialists (e.g., doctors, dentists, psychologists, other developmental specialists and other professionals who donate time)

_____ Other (Specify)_____

_____

26. Is any of the space you are currently occupying donated?

No.

Yes. Estimate percentage. (Check only one.)

- ☐ 100%
- ☐ More than 50% but less than 100%
- ☐ Less than 50%

27. How often do you have staff training activities? (Check all items that apply)

- ☐ Regularly: at least once a week. _____ (Which staff?)
- ☐ Regularly: at least once a month _____ (Which staff?)
- ☐ Regularly: at least once a year _____ (Which staff?)
- ☐ Occasionally as needed _____ (Which staff?)
- ☐ Staff training activities are not held due to budget limitations or other constraints _____ (Which staff?)

28. Please fill out the table below only for staff paid from your budget. GIVE THEIR JOB TITLES, THEN FILL IN THE REMAINING COLUMNS AS APPROPRIATE. LIST ONLY ONE PERSON ON EACH LINE.

JOB TITLE	No. of Hours Worked Per Week	Salary per Week	Level of Education			
			H.S. Grad or Less	Some Coll.	Coll. Grad	Adv. Degree (M.A., M.S Ed D PhD

29. Do you maintain your own accounting or bookkeeping system?

Yes.

No. How are your accounts kept?

- ☐ Kept by an outside agency.
- ☐ Kept by a private accountant.
- ☐ No accounts are kept.

30. Do you have a copy of your most recent budget?

Yes. Please attach a copy.

No. Estimate your total expenditures for a twelve-month period:

_____
(Total estimated expenditure)

31. Please indicate the maximum and the minimum fees you are receiving weekly from parents for one child.

$_____ Maximum weekly fee

$_____ Minimum weekly fee

32. Do you have a written fee schedule?

Yes. Please attach a copy.

No. How do you determine fees? (Check only one.)

- ☐ Charge all families the same rate.
- ☐ Work out rate with each family.
- ☐ Other: Specify: _____

_____

_____

33. Please indicate sources of cash income other than state purchase of care, and parent fees. (Check all items that apply.)

- ☐ United Fund (or equivalent)
- ☐ Individual Donations
- ☐ Community Action Agency

33. Continued....

- ☐ City or County Funds
- ☐ Church or College
- ☐ School
- ☐ Employers

35. How is your center legally organized? (Check only one.)

- ☐ Independent, non-profit
- ☐ Independent, profit
- ☐ Sponsored by Community Action Agency
- ☐ Sponsored by Model Cities
- ☐ Sponsored by a church
- ☐ Sponsored by a college or university.
- ☐ Other. Specify:_____

_____

_____

THANK YOU VERY MUCH FOR YOUR HELP!!

Reminder: Have you attached a schedule of daily activities? A copy of your budget? Fee schedule?

Please return to:

REAP Associates
1816 Jefferson Place, N.W.
Washington, D.C. 20036

SEP 18 1975

DAY CARE LICENSING REVIEW PROJECT

This Department applied to the Office of Child Development for funds to conduct a major review and revision of its current day care standards, last revised in 1968. While existing standards have been generally accepted by the day care community in the state, the Department considers that review and revision is essential to maintain and assure standards which are realistic, relevant and understood by providers and consumers in the day care sector as well as public and private agencies.

To achieve this end, Commissioner Lavine appointed an Ad Hoc Day Care Licensing Review Committee (attachment #1), following a recommendation made in the Office of Child Development publication "Models for Day Care Licensing". This committee was comprised of individuals representing the broad spectrum of day care services in New York State; public and private facilities, home and center care, providers and consumers of both, community representatives and child advocates. Since this committee could not all be expected to have expertise in all aspects of day care, it is they who suggested at their first meeting (attachment #2), that a conference be held to which day care experts as well as others representing day care interests statewide were to be invited. This would assist them in establishing regulations that would meet the objectives and responsibilities of the state's regulatory day care program. (attachment #3)

The project staff also arranged meetings (attachment #4) with other state agencies with statutory responsibility in the field of child care for discussion of mutual interests and problems arising from overlapping of some jurisdictional and licensing functions. These agency representatives were also invited to attend the conference. Further, these representatives met together (attachment #5) informally and developed the draft position paper as goals to work toward in improving the regulation of child care services in New York State.

The conference participants were divided into committees to discuss specific program components, for example, the educational committee concerned itself with child/staff ratios and educational qualifications for staff, health and sanitation committee, nutrition committee with other appropriate regulations, etc. Each participant was supplied with (attachment #6) a comparison of New York State day care standards, New York City health code for day care and the HEW model guides for licensing. Additionally, they were supplied with resource materials to assist them in their deliberation including other state day care regulations, monographs, bulletins, etc. Each committee made its recommendations (attachment #7) which were submitted to the Ad Hoc Committee and the Department. Department staff used these recommendations as well as those of other state agencies, to prepare a first draft of new standards for day care centers, family day care homes and a new category of proposed group day care home regulations. It was essentially these drafts which were prepared after an Ad Hoc Committee meeting in April, (attachment #8) that were offered for review and comment at public hearings. Subsequent to these hearings and taking into consideration comments and recommendations made (attachment #9) there and in letters received after a solicitation of comments (attachment #10) final drafts

were developed by staff and approved by the Ad Hoc Committee in September (attachment #11). These drafts were slightly revised by the Department's day care advisory committee in October. These documents are awaiting final Department approval.

Further, the broad exposure of the Department's licensing program has resulted in an introspective look at our own licensing procedures and this is currently being analyzed in depth to respond to comments and criticism made at these public hearings which focused on some of the problems encountered in licensing, concerns vis-a-vis, statewide uniform licensing of standards by licensing personnel, enforcement of licensing statutes, investigation of unlicensed facilities, etc.

Specifically, these are the major problems encountered in meeting the project objectives in light of the following:

1. The escalating costs of day care which are presumed to be the result of excessive standards.

The critical issue here was the desire of project participants to develop standards which not only meet the Department's statutory responsibility to provide care and protection in day care but also meet the federal interagency regulations for day care in order to insure reimbursement for the Department's extensive day care program. There was strong sentiment expressed at the conference for one set of standards for all children, whether in publicly or privately funded day care. This proved difficult since the state is obligated to provide for FIDCR child/staff ratios which is a significant factor in the cost of day care. These ratios, the private sector claims, are excessive and expensive. The same reasoning applies to staff qualifications, requiring certain education, training and experience. These two issues were discussed extensively at the conference and in fact it was necessary to hold an additional meeting after the conference ended, to try to come to some agreement on these specific standards, so clearly related to the high cost of group day care. However, it is not possible to afford any significant savings in publicly funded centers as long as the FIDCR remains unchanged.

It is interesting to note that the education committee reached a consensus that high qualified day care staff can handle larger numbers of children that is required in the FIDCR. In our own efforts to determine reasonable child/staff ratios, we have been hampered by a lack of definitive research on the subject of the relationship between the quality (education, training, characteristics) of caregivers and their numbers and how that effects the elusive "quality of day care" which sets it apart from mere

custodial care. While there is a great deal of research on the definition of staff competencies, staffing patterns, curriculum development, etc., there is no new data on whether programs meeting high standards actually can help children develop positive self-imagination, motivate the child to learn, develop the necessary social skills to work and play with others, to stimulate the child to do well in school, improve cognitive skills, etc. or have any effect on the goal of mothers to become self-supporting. Our own experts supported these conclusions but we could not reinforce their experiences with research.

2. Increasing pressure from the private day care sector.

It became apparent (attachment #12) during our regional meetings, that at least in New York State, the term "day care community" is a myth. At our meetings there were special interest groups representing parents and consumers in community organizations in the public day care sector, and providers and consumers in the private sector. In the main, the speakers representing privately paid day care point of view were influenced by the fiscal implications any changes would have, rather than whether such cases provided a high standard of care. Higher standards were promoted and supported when it appeared that the individual was speaking on behalf of the programs presently receiving public funds. In only one instance did an operator of a private day care center support, not only the concept of the state's rights to regulate day care and the necessity for control, but the department's licensing program. On the other hand, there was a highly organized campaign mounted by an association of private, unlicensed day care centers who appeared at most meetings, to challenge both existing and proposed standards as excessive, capricious and merely designed to interfere with free enterprise. The latter opposition was in spite of the fact that one of the charges to the conference participants was to seriously consider the problems of the private operator and/or parents who paid the total fees for day care. An examination of the drafts reveal that there were substantive changes in this direction.

3. Recent state legislation.

No difficulty was encountered into implementing this legislation.

4. Clarify and design licensing standards.

This has proven more difficult than anticipated. We expect that when revised standards are issued they will be accompanied by explanatory guides.

5. Federal model licensing guides.

These were considered in the review process and several changes were made based on material in these guides; e.g., child/staff ratios, insurance requirements, and transportation regulations. In addition, the written language of the regulations in the guides was clearer than existing state ones that were used.

Further, as a direct result of criticism of the group day care home concept, during our regional meetings, the Department has now developed a demonstration of these homes in selected communities (attachment #13) in the next 18 months, to determine whether or not such regulations should be promulgated and if they can provide a viable, safe environment for children.

CONCLUSIONS AND IMPLEMENTATIONS FOR FUTURE ACTION

1. The exhaustive review of existing day care standards were based in part on the Department's experience in the funding of programs meeting such standards as well as problems encountered in enforcement of such standards in both the public and the private day care sector.

2. Major recommendations made by this review process can not be implemented uniformly in both public and private sectors due to conflict with Federal Interagency Day Care Requirements.

   a. Compliance with FIDCR child/staff ratios makes any attempts at economies in group day care impossible.

   b. FIDCR regulations limit the number of children in a family day care home to no more than a total of six children. This limits the use of many of these homes ofr part-time children, especially those of school age. Since day care for that group is an unmet need in many of the communities, this poses problems to the Department. This provision also discourages some caregivers from opening a home because of this limitation which effects the income that can be derived from this source. This is particularly true in our mandated child care under the WIN program.

3. During the course of the project, this Department established contact with those responsible for licensing in New York City. Social Services Law 390 exempts New York City from state regulations and its own Health Code for day care is enforced by their Department of Health. This project has become the instrument for establishing this communication and we have been able to work effectively with the staff and help them in reviewing their own codes. We have noted a willingness to work towards a uniform set of day care regulations for statewide standards in most day care components but New York City has been adamant in their refusal to consider any changes in education requirements for teaching staff. These request every teacher to be certified by the New York City Board of Education. However, it has been determined that in spite of these high standards, there are still many unlicensed centers in New York City, in part, due to the inability or the unwillingness of the centers to comply with these costly requirements which raises conflicts between the employment of target area personnel of limited education who organize centers and these high standards mandated by the Agency for Child Development. However, we are continuing to work with the New York City Department of Health in trying to solve some of these issues.

4. The Department is presently considering legislation which would provide for the registration of unaffiliated family day care homes presently not licensed. Homes operated by authorized child caring agencies would continue to be certified by the Department. This regulation has not yet

been submitted for legislative action since we are exploring both the benefits and disadvantages of such a form of licensing. We will have to consider whether registration which is merely a statement that the provider meet standards and not a guarantee that these are being met, is preferable to a statute which is not being enforced because of the large amounts of licensing staff required. It may be possible that this will be implemented on a limited demonstration basis.

Finally, this project has helped focus public attention on licensing as a form of protection for children away from their own homes and in some ways has enhanced our ability to perform licensing functions more effectively. On the other hand, problems of enforcement still remain and we have asked for additional staff to implement our programs.